

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Uzbekistan - Republic of

Cotton and Products Update

Cotton Production Update

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Report Highlights:

Uzbekistan's MY 2009/10 cotton lint production and export forecast remains unchanged at 4.1 million bales and 3.8 million bales respectively. Due to better sowing campaign and favorable weather conditions during vegetation, the MY2010/11 lint production forecast was slightly increased to 4.65 million bales.

PRODUCTION:

The official target for MY10/11 plant area and seed cotton production remains unchanged at 1.315 million hectares and 3.4 MMT. This year's sowing campaign finished on-time in almost all cotton growing regions. The precipitations levels in most areas were not unusually high during the planting season although localized heavy rains necessitated replanting in some regions, which was reportedly only about 2-3 percent of the total planted area. The recent weather conditions are generally favorable at this pre-harvest stage, and some experts and observers believe the crop has gotten off to a fairly good start. Taking into account these considerations, MY10/11 lint production forecast has been slightly increased to 4.65 million bales.

CONSUMPTION

Over the past 4-5 years the government has often stated that it would like to process more of Uzbekistan's cotton production domestically, but it has had only limited success. About 25 percent of all cotton is still consumed domestically in spite of government's plans to increase it to 50 percent. Taking into account certain problems facing ginning industry, in 2007 the government launched a special program for modernization and reconstruction of some old cotton gins during 2007-2011. According to this program, the government is planning to modernize 41 cotton gins and close 30 old cotton gins in big cities, in particular those gins with old equipment and with the lowest efficiency. As of today, reportedly 9 cotton gins were reconstructed and modernized according to this Government decree.

In the past several years, the spinning and weaving industries had been investing heavily in new equipment and renovation of existing equipment, as domestic and export demand grew, especially for cotton yarn. As global markets have contracted, the textile industry more than ever must aggressively pursue quality improvements and production diversification to include more value-added products, rather than to rely mainly on low-value yarn based exports, if it wants to remain competitive.

Currently, there are more than 43 joint ventures established in the textile industry with partners from Turkey, Germany, South Korea, Japan and Switzerland. As of 2009, foreign investment in the textile industry exceeded USD 1.0 billion. In spite of current difficulties, the local spinning industry is optimistic about textile production and export growth. Uzbekistan's MY2010/11 domestic lint consumption is forecast at 1.2. million bales.

STOCKS

There are no official sources of information on stock volumes, so the numbers indicated in the report are rough estimates.

TRADE

Exports of cotton are projected to decline gradually in accordance with GOU plans to increase the share of domestic consumption to 50 percent within the next few years. However, based on various factors, Post believes it will not happen this quickly. Post estimates MY2009/10 lint exports at 3.8 million bales. MY2010/11 exports are preliminarily forecast to decrease to 3.75 million bales. In the past few years Uzbekistan remained a primary supplier of cotton to Asia, with Bangladesh, China and South Korea major markets for Uzbek cotton. A few months ago GOU officials declared intentions to sign an

Production, Supply and Demand Data Statistics Table 1.

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